

Mr. Kenneth W. Desnew

Dear Mr. Desnew:

Reference is made to your contract with the United States Government, as represented by the Contracting Officer, effective 23 September 1957.

Effective 23 September 1957, said contract is amended by adding after paragraph eleven (11) entitled "Term" the following paragraph:

"12. Term Insurance. By virtue of the nature of your mission hereunder, the Government will advance or reimburse you the premium on a \$10,000 term insurance policy, said policy covering a period not in excess of 120 days. It is specifically understood and agreed that the type of said policy, its approximate cost (less than \$75.00), and the conditions of its procurement have been fully discussed with you. As this amount represents additional income to you, Federal income taxes thereon will be handled as set forth in paragraph one (1) above."

All other terms and conditions of the contract, as amended, remain in full force and effect.

You will please indicate your approval by signing in the space provided below.

UNITED STATES GOVERNMENT

BY

Contracting Officer

ACCEPTED:

Kenneth W. Desnew

WITNESS:

APPROVED:

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHOD EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2005

SECRET

Mr. Kenneth W. Desnew

Dear Mr. Desnew:

The United States Government, as represented by the Contracting Officer, hereby contracts with you for the purchase of certain information and related services of a confidential nature under the following terms and conditions:

1. Compensation. In full consideration for the purchase of such information and services, you will be compensated at the rate of \$600 per month. Payments will be made as directed by you in writing in a manner acceptable to the Government. While it is recognized that you are an independent contractor, the Government at your request and in view of security considerations involved agrees to withhold Federal income taxes from monies due you under this agreement in an amount equivalent to the United States income tax withholding schedule based upon your taxable income hereunder and present exemption(s). You acknowledge that this is an accommodation on the part of the Government and does not relieve you from fulfilling your obligations under existing Federal income tax laws and regulations. You will be instructed as to the method to be followed in making timely filing of returns, estimates and payments in order to preserve security.

2. Travel. You will be advanced or reimbursed funds for necessary expenses incurred in connection with such operational travel as may be directed or authorized by the Government. This will include per diem in lieu of subsistence while in the course of such travel. While on temporary duty away from your permanent post of assignment, this will include funds for the rental of temporary quarters at the Government's direction as well as four-fifths of the maximum applicable per diem rate. Payment and accounting for such expenses will be in conformance with applicable Government regulations.

3. Operational Expenses. You will be advanced or reimbursed funds for necessary operational expenses including, but not limited to, entertainment and the purchase of information, as specifically approved by the Government. Such funds will be subject to accounting in compliance with Government regulations.

4. Repayment. It is recognized that your failure to account for or refund any monies advanced you hereunder shall entitle the Government to withhold the total amount of such indebtedness or any portion thereof from any monies due you under the terms of this contract in such manner as it deems appropriate.

5. Hospitalization Premiums. It is understood that you presently are a participant in a group hospitalization plan and that your overt employer pays the premiums incident thereto. As such premiums paid on your behalf will cease while you are performing under this contract, the Government will advance or reimburse you funds for the payment of such hospitalization premiums.

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6. Execution of Documents. If, in the performance of services under this contract, you assume the custody of Government funds or take title of record to property of any nature whatsoever and wherever situate, which property has in fact been purchased with monies of the U. S. Government, you hereby recognize and acknowledge the existence of a trust relationship, either express or constructive, and you agree to execute whatever documents may be required by the Government to evidence this relationship.

7. Status. You are not an employee of the United States Government under this agreement and are not entitled to any benefits normally incident to an employee status.

8. Secrecy. You will be required to keep forever secret this contract and all information which you may obtain by reason hereof (unless released in writing by the Government from such obligation), with full knowledge that violation of such secrecy may subject you to criminal prosecution under the Espionage Laws, dated 25 June 1948, as amended, and other applicable laws and regulations.

9. Instructions. Instructions received by you from the Government in briefing, training or otherwise are a part of this contract and are incorporated herein, provided that such instructions are not inconsistent with the terms hereof.

10. Unauthorized Commitments. No promises or commitments pertaining to rights, privileges or benefits other than those expressly stipulated in writing in this agreement or any amendment thereto shall be binding on the Government.

11. Term. This contract is effective as of 23 September 1957, and shall continue thereafter for a period of three months unless sooner terminated either:

(a) By thirty (30) days' actual notice by either party hereto, or

(b) Without prior notice by the Government, in the event of a breach of this contract by your violation of the security provisions hereof or by your otherwise rendering yourself unavailable for acceptable service.

Subject to the availability of appropriations, this agreement may be extended upon notice from the Government. Termination of this agreement will not release you from the obligations of any security oath you may be required to take.

UNITED STATES GOVERNMENT

BY

Contracting Officer

ACCEPTED:

Kenneth W. Desnew

WITNESS:

APPROVED:

SECRET